
**GOODS MOVEMENT TASK FORCE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**July 18, 2007
Minutes**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE GOODS MOVEMENT TASK FORCE. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Goods Movement Task Force held its meeting at the SCAG office in Los Angeles. The meeting was called to order by the Honorable Art Brown, Chair, OCTA.

Members Present

Baldwin, Harry	City of San Gabriel
Bone, Lou	City of Tustin
Brown, Art- Chair	OCTA
Capelle, Joanna	SCRRA
Cartwright, Kerry	POLB
Daniels, Gene	City of Paramount
Greenwald, Peter	South Coast AQMD
Goodwin, Art	ACTA
Lai, Sue	POLA
Marquez, Jesse	Coalition for a Safe Environment
Neely, Sharon	ACE/SGVCOG
Ten, Mike	City of South Pasadena
Smith, Steve	SANBAG
Valdez, Lupe	UP

Via Video Conference

Dale, Lawrence	City of Barstow
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1.0 CALL TO ORDER

The Hon. Art Brown, Chair, called the meeting to order at 9:36 a.m.

2.0 PUBLIC COMMENT PERIOD

There were no public comments.

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

4.0 CONSENT CALENDAR

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4.1 Approval Item

4.1.1 May 30, 2007 Minutes

A **MOTION** was made to approve the Consent Calendar.
The **MOTION** was **SECONDED** and **APPROVED**.
One member abstained (**Hon. Gene Daniels**).

5.0 INFORMATION ITEMS

5.1 Inland Port Feasibility Study Phase II Final Draft

Dan Smith, Tioga Group, stated that there was not a final draft of the Feasibility Study due to the changes that occurred as the study neared completion. There are three objectives to the study. The principal objective is to see if containers can be moved to and from the ports using a combination of an inland port and a rail-shuttle to reduce net VMT, congestion, and emissions and help influence the course of development in developing areas of the region to promote a more rational grouping of distribution centers and other traffic generators. This will set the stage for efficient freight movement in the future, and make it feasible to reduce the 116 truck mile round trip to the inland empire to 40 truck miles.

An inland port rail-shuttle combination is technically and economically feasible. The combination appears reasonably comparable to other traffic congestion mitigation measures and is therefore, a reasonable strategy to pursue. It can reduce net VMT and highway congestion. It could also reduce net emissions but this would depend on the truck-rail tradeoffs and types of technology being used. Although it can favorably influence land use patterns and is likely to be cost effective in comparison to other congestion relief options, there exist some serious challenges. There is a timing issue. The terminal sights in the Inland Empire are relatively few and are disappearing fast. If action is not taken within 3~5 years, there will be no terminal sights left. It will require a permanent operating subsidy, equivalent of \$100+ per container, and will require upgrades to the port area rail network to add gathering capacity, along with public investment to maintain the mainline rail capacity to hold the rail shuttles.

In terms of feasibility with the original concept, a large conventional inter-modal terminal was being sought in the Inland Empire. There are some circumstances

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where land may eventually become available, but they are complex and far off in the future. Because of this, a conventional rail operation to a large inter-modal can not be done in the Inland Empire. There are also institutional and economic barriers, and a rail capacity problem. Because of this, the operation had to be re-thought and a commuter concept was proposed for consideration as a result. This concept would look for 30-50 acres to build a small commuter inland terminal/s.

In the long-term mitigation strategies for goods movement, reducing truck emissions by replacing current trucks with 2007-2010 compliant models is an option which would effect the equation for truck rail trade-offs changing over a period of time. The final report will mirror what the trade-off looks like now and in 2015. The need for rail activity at the ports to put together shuttle trains is a bigger factor to the cost of the emissions.

In order to examine cost effectiveness, a comparison needs to be made to compare the potential for inland port and rail-shuttles with other public initiatives since the same resources are being drawn upon in terms of funding and rail capacity. Metro Link was used as a model for the comparison study, examining fair box recovery and terminal sites. The feasibility requirements for getting a rail-shuttle in place either in the Inland Empire or Victorville/Barstow are public/private capital investments and a negotiated limit on daily trains.

The study has reflected that an operating subsidy needs to be offered to the railroads. If the subsidy could reach the point of neutrality, where the railroads are made even on their cost and it is made financially interesting for the railroads.

The study started by asking if an inland port rail-shuttle combination is a good idea, and whether it can help reduce regional congestion, VMT, and emissions. The answer is yes, but the difficulty lies in putting it in context with everything else the region would like to do. One issue is timing, i.e. if there is a window of time for the concept to work. The answer at this point is maybe. The best market for near term VMT reduction is the Mira Loma market. However, terminal sites are disappearing and if the region does not take action in the next 3-5 years there will no longer be options. In considering Victorville, Barstow, or other sites, those areas are not ready to support a rail shuttle to and from the ports due to market linkages to the ports and lack of large enough truck volumes to justify bringing those off onto rail. It may be that even though this is a good idea, there is no time in the marginal timelines where

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the region could establish an inland port and run the rail shuttle long enough to reap the benefits.

Our region has multiple congestion emission priorities and limited resources. There are two kinds of resources, one is funding and the other is infrastructure capacity. Currently the long haul inter-modal is probably the first priority. Domestic car load traffic, domestic inter-modal traffic, and the passenger rail traffic are all competing for the same rail capacity.

To complete the study a detailed cost analysis needs to be done because of the changed circumstances. A follow up on the concept will be done with all three railroads, along with checking with customers on what the interest would be.

SCAG anticipates doing an extended study expanding upon the current Inland Port Feasibility Study and will update the committee at its next meeting. SCAG is also in the process of having the rail capacity studies updated and will present them to the committee in the near future.

5.2 Rail Emissions Reductions Strategies

Tarek Hatata, System Metrics, stated that there was an effort lead by SCAG based on the reports on fatalities due to PM2.5 and other emission factors and a need for action at the regional level to reduce air pollutants significantly. Two proposals have been brought forward, the truck only lanes and the high speed freight rail/agile port concept. After discussions with the commissions, SCAG was directed to drop both proposals due to difficulty implementing them in a reasonable time. SCAG was asked to look for alternatives that were more achievable by 2014.

Staff is attempting to address the Freight Rail Emission Reduction Strategy with a two pronged approach. One is to address congestion reduction strategies involving rail expansion and grade separations, along with addressing environmental concerns and electrification. At the same time, staff is proposing to evaluate the possibility of packaging rail expansion and grade separations with engine upgrades to Tier 4 to address environmental concerns. Staff can address both of these strategies concurrently. This two pronged approach consists of three elements:

- Congestion Reduction
- Alternative Power

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- Cleaner Engines Technologies

A recent analysis of emissions reductions for rail capacity and grade separations reflected between 11-13% reduction from baseline for NOx and PM. Attainment should be reached by 2014.

In the area of rail electrification there are 3 phases:

- *Phase 1* electrifies the major east west freight rail corridors from the ports to Colton and San Bernardino.. This phase would electrify 250 miles, 360 locomotives at a cost of 3.4 billion.
- *Phase 2* involves an electrification extension. This would be from San Bernardino to Barstow, from Colton to Indio, from West Colton to Cajon Summit up to the beginning of the UP Colton cut-off. This phase would electrify 170 miles, 360 locomotives at a cost of \$2.5 billion.
- *Phase 3* electrifies also involves an electrification extension. This would be from Chatsworth and the San Fernando Valley. This phase would electrify 40 miles, 55 locomotives at a cost of \$0.53 billion.

With Phase 1 of the electrification process, our region will see reductions of NOx and PM of just over 50% for each pollutant by the year 2014. Adding on Phases 2 and 3, the number is about 80% for each pollutant. Also by 2014, Tier 3 engine deployment can provide reductions of NOx and PM of 10% and 45%, respectively. Adding on 100% Tier 4 engine deployment, which is possible by 2020, the reductions will jump to 82% for NOx and 88% for PM, by 2020.

In terms of cost effectiveness, Phase 1-3 electrification and Tier 3 engine deployment will cost \$2.8 million per ton of pollutant through 2014. Through 2020, these improvements plus Tier 4 engine deployment will cost \$3.3 million per ton. Note that the cost of reducing PM is over 90% of the total cost. If the region can offer enough financial incentives to accelerate deployment, the railroads may find Tier 4 to be an attractive option.

The proposed cost allocation strategy calls for rail capacity additions and grade separations to be funded by the railroads, the state, and the cities and CTCs. In addition, rail capacity additions will also be funded by Metrolink, and grade separations by the ports.

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With regards to proposed container fees (SB974) for electrification and Tier 4, the amount in consideration is \$14.60 per container for Phase 1. This would decrease to \$9.28 by 2030. Phase 1 & 2 starts at \$25.53 and decrease to \$16.24 by 2030. Phase 1, 2 & 3 starts at \$27.85 and decrease to \$17.71 by 2030. All three phases would continue through 2040. If only Tier 4 is executed and the region pays for the entire cost without the railroads paying for any of locomotive cost, it would start at \$8.80 and decrease to \$6.97 by 2030, then to \$0.00 by 2040. SCAG's environmental consultants and others, however, have told staff Tier 4 can not be implemented by 2014.

Staff will be talking with the AQMD about its testing and its work with the private sector to try to expedite Tier 4. Staff is also getting the names of locomotive vendors, General Motors and GE, and contacts to organize an informal discussion about what incentives they would need in terms to expedite Tier 4. Additionally, the ARB has extended its deadline to approve the SIP for PM and NOx to October.

5.3 Environmental Mitigation Plan for Goods Movement Study

Jeff Ang-Olson, ICF International, stated that ICF has completed its preliminary Task 1 Analysis and held three public outreach workshops in the region. ICF has since completed a literature review and detailed analysis of goods movement emissions strategies, their cost, and cost effectiveness. ICF is now moving into the last project task of developing an action plan.

By 2030, goods movement sources will be responsible for half of all NOx emissions in the south coast air basin. Goods movement is a smaller portion of the PM2.5 inventory because most PM2.5 emissions come from wildfires, dust, and agriculture. On the other hand, goods movement would be the dominate source of diesel particulate matter, which is classified as a carcinogenic by ARB.

Some examples of the more cost effective NOx reduction strategies for trucks was to replace model year 1994-2002 heavy-heavy duty diesel trucks (HHDDT) with model year 2010 trucks. In the area of operational strategies for trucks, the virtual container yard and expanding the pier pass program are in consideration. With regards to rail, retrofit strategies, electrification strategies, idling reduction strategies, and operation strategies were evaluated.

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In terms of PM, the strategies are very similar to NOx with the exception that there are some additional strategies that can be done for trucks. For example, there are a number of retrofit devices that work on trucks to reduce PM emissions. Consequently there are more options to reduce PM emissions from trucks than there are for NOx emissions.

The three outreach workshops held in the region were attended by a diverse group of stakeholders. The feedback indicated there was a desire for more detail as many individuals who attended the meetings did not have time to review or have the full report. Another comment that was consistently made was the interest in evaluating localized impacts because SCAG's study focuses on regional emission reductions that primarily benefit the south coast air basin. There are some strategies that result in benefits to the region in net terms, but may result in localized increases. An assessment of this kind of trade-off should be made.

There were some good suggestions for additional strategies for consideration. As a result of this, the preliminary analysis is being expanded to include other strategies that are likely to be feasible by in the 2015-2020 timeframe. In the area of trucks, the strategies include port truck idling reduction, hybrid-electric trucks, natural gas trucks, electric trucks, and truck-only toll roads. In the area of rail, the strategies include regenerative braking locomotives, full rail system electrification, and advanced locomotive emission control system.

The next steps will be to conduct an analysis of additional strategies identified in the outreach workshops and identified by SCAG. Then move on to developing an action plan identifying the top priorities for 2020, determine total feasible emissions reduction and cost, and examine key implementation barriers.

5.0 STAFF REPORT

Mike Jones, SCAG, announced that the Goods Movement Task Force has been invited to attend the multi-county goods movement action plan meeting at the SCAG office on July 25, 9:30 a.m. to 12:00 p.m.

6.0 COMMENT PERIOD

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7.0 ADJOURNMENT

Hon. Art Brown adjourned the meeting at 11: 20 a.m.
The next meeting of the GMTF is yet to be determined.

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